

## BONDED INDEBTEDNESS

The City finances a substantial portion of its traditional municipal capital improvements with general obligation bonds. However, certain capital improvements are financed with revenue bonds. The City's Capital Implementation Program (CIP) consists of a ten-year program, with a general obligation bond election held every odd-numbered year to approve the two-year capital budget portion of the program. It ~~was~~ has the policy of the City for more than ten years to maintain a stable tax rate of approximately 20 mills for general obligation bond debt service. Capacity to issue bonds in future years was calculated by using a tax production at 20 mills and assumed new issues would have level annual principal payments for a ten-year retirement. Beginning in 1986, successive statewide reassessments to bring locally assessed property values up to the statutory requirement of "current and correct" resulted in large increases in net-taxable value and reduced substantially the debt service mill levy required to meet debt service on outstanding general obligation bonds.

In putting together both the CIP program for the next bond election and the Decade Plan, the City will continue to assume a stable mill levy; (at 7.976 mills); approximately equal to annual principal payments; and a maximum maturity on the bonds of ten years. It is early in the 2007 CIP cycle. A criteria resolution, which establishes the priorities of the 2007 CIP program, was introduced to the City Council in February of 2006. This is the beginnings of preparations for the bond election that will take place in October of 2007.

Utility and enterprise projects are funded directly out of revenues or with revenue bonds supported by net revenues. To the extent that net revenues of the enterprise produce minimal coverage or fall short in the start up years for discrete projects, gross receipts taxes have been pledged as additional security. Gross receipts taxes have been used to secure parking structure revenue bonds, airport

revenue bonds, lodgers' tax bonds, to finance the construction of the convention center and a municipal office building, and to acquire another office building.

The total outstanding general obligation indebtedness of the City as of April 1, 2006 is \$239.205 million shown in the table on the next page. The City does not have any short-term tax revenue anticipation notes outstanding. The amount of general-purpose general obligation debt of the City is limited to 4% of assessed valuation. As of April 1, 2006, the 4% statutory limit is \$372.30 million versus outstanding general-purpose debt of \$186.77 million, leaving \$185.53 million available for future issues. In a regular municipal election on October 4, 2005, the voters approved the issuance of \$113 million of general purpose general obligation and \$8.08 million of storm sewer system general obligation bonds. The City plans to issue bonds of approximately \$30 million in June, 2006

The Albuquerque Metropolitan Arroyo Flood Control Authority (AMAFCA) is a special purpose district that overlaps Albuquerque. The amount of debt it can issue is limited by state statute. AMAFCA is authorized \$40 million of which \$16.0 million is issued and outstanding as of December 31, 2005, with \$13.8 million payable from taxable property within the City.

The Albuquerque Bernalillo Water Utility Authority was created in 2003, by the New Mexico Legislature adopted Laws 2003, Chapter 437 (Section 72-1-10, NMSA 1978). The legislation also provides that the debts of the City payable from net revenues of the Water/Sewer System shall be debts of the Authority and that the Authority shall not impair the rights of holders of outstanding debts of the Water/Sewer System. Although the debt is no longer part of the City's debt obligation the following table provides the outstanding bonds for the Water Utility Authority for informational purposes.

**CITY OF ALBUQUERQUE, NM**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**April 1, 2006**

	<u>RATINGS/CR. ENH.</u> <u>(Moody's/S&amp;P/Fitch)</u>	<u>FINAL</u> <u>MATURITY</u>	<u>ORIGINAL</u> <u>AMT ISSUED</u>	<u>AMOUNT</u> <u>RETIRED</u>	<u>AMOUNT</u> <u>OUTSTANDING</u>	<u>INTEREST</u> <u>RATES</u>
<b>GENERAL OBLIGATION BONDS:</b>						
	Aa3/AA/AA					
MAR'94 STORM SEWER		07/01/03	15,000,000	15,000,000	0	4.9-5%
FEB'96 GENERAL PURPOSE*		07/01/04	23,025,000	23,025,000	0	5%
FEB'96 STORM SEWER		07/01/05	3,500,000	3,500,000	0	5-5.5%
FEB'97 GENERAL PURPOSE*		07/01/05	44,620,000	44,620,000	0	5%
FEB'97 STORM SEWER		07/01/06	6,700,000	2,500,000	4,200,000	5%
FEB'98 GENERAL PURPOSE*		07/01/05	38,030,000	38,030,000	0	4.0 - 5.0%
FEB'98 STORM SEWER		07/01/07	6,350,000	0	6,350,000	5%
FEB'99 GENERAL PURPOSE*		07/01/06	16,870,000	14,870,000	2,000,000	3.625-3.95%
FEB'99 STORM SEWER		07/01/08	4,760,000	0	4,760,000	4.0-4.05%
AUG '99 GENERAL PURPOSE*		07/01/09	24,105,000	16,105,000	8,000,000	4.500-4.875%
JUL'00 GENERAL PURPOSE*		07/01/10	44,080,000	44,080,000	0	5.00%
JUL'00 STORM SEWER		07/01/10	6,750,000	750,000	6,000,000	5.00%
SEP '01 GENERAL PURPOSE*		07/01/11	46,315,000	24,965,000	21,350,000	4.0-5.0%
SEP '01 STORM SEWER		07/01/11	4,510,000		4,510,000	4.375%
OCT '01 TAXABLE STADIUM		07/01/10	10,000,000	5,000,000	5,000,000	4.0 - 5.6%
FEB '02 GENERAL PURPOSE*		07/01/09	20,000,000	9,400,000	10,600,000	2.50 - 5.0%
FEB '02 STORM SEWER		07/01/11	5,600,000		5,600,000	4.50-4.50%
JUL'03 EQUIPMENT		07/01/04	8,750,000	8,750,000	0	2.50%
JUL'03 GENERAL PURPOSE		07/01/12	81,805,000	32,580,000	49,225,000	2.50%-5.00%
JUL'03 STORM SEWER		07/01/13	9,440,000		9,440,000	3.00%-4.50%
MAY '04 GENERAL PURPOSE (SHORT TERM)		09/01/04	30,000,000	30,000,000	0	1.320%
MAY '04 GENERAL PURPOSE		07/01/05	5,800,000	5,800,000	0	2.200%
JUN'05 GENERAL PURPOSE		07/01/13	90,595,000		90,595,000	4.0 - 5.00%
JUN'05 STORM SEWER		07/01/14	11,575,000		11,575,000	4.00 - 4.25%
<b>SUBTOTAL - GENERAL OBLIGATION BONDS</b>			<b>\$558,180,000</b>	<b>\$318,975,000</b>	<b>\$239,205,000</b>	
* Subject to 4% constitutional limit on general obligation debt.					\$186,770,000	
Water & Sewer (constitutional unlimited)					52,435,000	

**REVENUE BONDS:**

**AIRPORT**

MAY'95 AIRPORT SUB LIEN ADJ TENDER RFDG	Aa3/A+/A+	07/01/14	67,000,000	22,800,000	44,200,000	6.685% (swap rate)
APR'97 AIRPORT REFDG REVENUE	CIBC L/C AAA (AMBAC)	07/01/18	33310000	7485000	25,825,000	6.25-6.75%

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AUG'98 AIRPORT REFDG REVENUE	AAA (AMBAC)	07/01/19	42,685,000	7,025,000	35,660,000	3.80% - 5.00%
MAY '00 AIRPORT SUB LIEN ADJ TENDER REV TAXEXEMPT	AAA (AMBAC)	07/01/20	7,200,000	1,700,000	5,500,000	floating-weekly
MAY '00 AIRPORT SUB LIEN ADJ TENDER REV TAXABLE	AAA (AMBAC)	07/01/20	40,000,000	21,700,000	18,300,000	floating-weekly
AUG. '01 AIRPORT REFDG REVENUE	AAA (AMBAC)	07/01/16	42,550,000	5,790,000	36,760,000	2.9% - 5.375%
MAR '04 AIRPORT REFDG REVENUE	AAA (MBIA)	07/01/18	20,610,000	635,000	19,975,000	1.63% - 5.11%
MAR '04 AIRPORT REVENUE	AAA (MBIA)	07/01/24	30,000,000	0	30,000,000	2.0% - 4.5%
<b>SUBTOTAL - AIRPORT</b>			<b>\$283,355,000</b>	<b>\$67,135,000</b>	<b>\$216,220,000</b>	
<b>GROSS RECEIPTS TAX (1.225% STATE SHARED)</b>	A1/AA/AA					
NOV'96 REFUNDING		07/01/11	18,315,000	14,950,000	3,365,000	4.5-5%
MAR '99 REFUNDING REVENUE		07/01/22	27,130,000		27,130,000	4.75 - 5.25%
JAN. '00 VARIABLE RATE TAXABLE SERIES 2000A		07/01/14	25,600,000	3,400,000	22,200,000	floating-weekly
FEB. '01 TAXABLE GOLF REVENUE/GRT BONDS SERIES 2001		07/01/11	2,420,000	760,000	1,660,000	5.7 - 6.7%
APR. '01 HELICOPTER NMFA LOAN		07/01/06	700,000	548,701	151,299	3.27-3.87%
OCT. 02 NMFA Stadium Lease Loan			6,000,000	285,066	5,714,934	
DEC. 02 NMFA Stadium Surcharge Loan			9,000,000	484,915	8,515,085	
<b>SUBTOTAL - GRT (1.225% STATE SHARED)</b>			<b>\$89,165,000</b>	<b>\$18,350,000</b>	<b>\$68,736,318</b>	
						#
<b>GROSS RECEIPTS/LODGERS' TAX</b>						
NOV'91 SERIES 1991B	AAA(FSA)	07/01/19	20,095,587		2,148,699	(1) 5.1-7.1% (CABs)
MAR'95 SERIES 1995	CIBC L/C	07/01/23	6,700,000	5,400,000	1,300,000	floating-weekly
FEB 99 SERIES 1999B REFDG		07/01/25	45,335,000	33,100,000	12,235,000	4.60-5.00%
SEPT 2004 A TAX-EXEMPT REFDG		07/01/37	31,965,000	0	31,965,000	4.70-5.00%
SEPT 2004 B TAXABLE REFDG		07/01/36	28,915,000	50,000	28,865,000	2.39-5.54%
HOSPITALITY FEE TAX		07/01/14	5,700,000	460,000	5,240,000	1.26-3.67%
<b>SUBTOTAL - GROSS REC/LODGERS' TAX AND HOSPITALITY FEE TAX</b>			<b>\$138,710,587</b>	<b>\$39,010,000</b>	<b>\$81,753,699</b>	
(1) Amount outstanding represents the accreted value of the Capital Appreciation Bonds (CAB) as of 7/1/06						
<b>MUNICIPAL GROSS RECEIPTS TAX</b>	A1/AA/AA					
MAY'92 REFUNDING		07/01/07	11,420,000	8,850,000	2,570,000	5-6.3%
FEB'99 SERIES 1999 A REFDG ('95)		07/01/15	6,070,000	1,605,000	4,465,000	4.25 - 5.0%
<b>SUBTOTAL - MUNICIPAL GRT</b>			<b>\$17,490,000</b>	<b>\$10,455,000</b>	<b>\$7,035,000</b>	

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<b>REFUSE REMOVAL AND DISPOSAL</b>								
			A1/AA-/AA					
SEP'92 - Partially refunded by 2001 B - left outstanding			AAA (AMBAC)	07/01/12	15,990,000	15,990,000	0	3.4-5.75%
JUL'95 REFUNDING			AAA (AMBAC)	07/01/09	13,515,000	7,255,000	6,260,000	3.85-5.3%
JAN'98			AAA (AMBAC)	07/01/13	10,170,000	3,930,000	6,240,000	3.75%-4.625%
MAY01 A IMPROVEMENT			AAA (AMBAC)	07/01/08	3,385,000	1,850,000	1,535,000	4.0-4.1%
MAY01 B REFUNDING			AAA (AMBAC)	07/01/12	10,820,000	145,000	10,675,000	3.625-5.25%
MAY04 NMFA Loan				07/01/14	5,800,000	529,321	5,270,679	1.26-3.67%
<b>SUBTOTAL - REFUSE</b>					<b>\$59,680,000</b>	<b>\$29,699,321</b>	<b>\$29,980,679</b>	
<b>SUBTOTAL - REVENUE BONDS</b>					<b>\$588,400,587</b>	<b>\$164,649,321</b>	<b>\$403,725,696</b>	
<b>SPECIAL ASSESSMENT DISTRICT BONDS</b>								
SAD 223 A (JUN'95)	Parity Lien	Bank of America		1/1/2015	6245000	6245000	0	4.75-6.45%
SAD 223 B (JUN'95)	Parity Lien	Bank of America		1/1/2015	1510000	1510000	0	5-6.65%
SAD 224 A (FEB'99)	Parity Lien			7/1/2009	3955000	3845000	110000	3.65-5.10%
SAD 224 B (FEB'99)	Parity Lien			7/1/2009	995000	995000	0	3.65-5.10%
SAD 226 Tax-exempt NMFA Loan (JUL '00)				7/1/2011	11568376	11535339	33037	4.72% - 5.18%
SAD 226 Taxble NMFA Loan (JUL '00)				7/1/2011	788685	788685	0	7.26 - 7.36%
SAD 225 Tax-exempt NMFA Loan (NOV '00)				7/1/2011	3867500	3547331	320169	4.55% - 5.20%
SAD 222 Tax-exempt NMFA Loan (OCT '00)				7/1/2011	2605539	2082310	523229	2.6% - 4.26%
SAD 216 Tax-exempt NMFA Loan (MAY '02)				7/1/2012	1314322	813280	501042	1.82% - 4.47%
SAD 227Tax-exempt NMFA Loan (FEB '04)				7/1/2014	8170888	2273491	5897397	.79% - 3.34%
SAD 227 Taxable NMFA Loan (FEB '04)				7/1/2014	404255	114310	289945	1.15% - 4.71%
<b>SUBTOTAL - SAD BONDS</b>					<b>\$41,424,565</b>	<b>\$33,749,746</b>	<b>\$7,674,819</b>	
<b>SAD BONDS SUMMARY:</b>								
W/ GAS TAX PLEDGE					10200000	10090000	110000	
W/ SURPLUS W/S PLEDGE					2505000	2505000	0	
W/O CITY REV. PLEDGE					28719565	21154746	7564819	
					41424565	33749746	7674819	
<b>GRAND TOTAL - GENERAL OBLIGATION, REVENUE &amp; SAD BONDS</b>							<b>\$650,605,515</b>	